



Department of Justice

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HOGSETT ANNOUNCES SENTENCING OF INDIANAPOLIS MAN FOR FEDERAL TAX, UNEMPLOYMENT FRAUD

PRESS RELEASE

INDIANAPOLIS - Joseph H. Hogsett, United States Attorney, announced that Lorenzo Lipscomb, 29, of Indianapolis and formerly of Gary, was sentenced before United States District Judge Jane Magnus-Stinson on charges stemming from both federal tax fraud and unemployment benefits fraud. Lipscomb was ordered to serve 84 months in federal prison and pay restitution of \$95,036 to the Internal Revenue Service as well as \$17,767 to the Indiana Department of Workforce Development. This follows an investigation by those two agencies, as well as the U.S. Department of Labor.

“Our office is committed to working with federal and state partners to ensure that those engaging in fraudulent activity are identified and punished,” Hogsett said. “Prosecutions such as this one make clear that there will be absolutely no tolerance for those who misuse or waste public funds.”

Lipscomb was found to have engaged in two separate fraudulent schemes. The first took place between January 2006 and April 2008, in which Lipscomb repeatedly used stolen names and Social Security numbers of individuals living and deceased to fill out fictitious tax returns through the use of various online tax filing services. These fraudulent returns were designed to result in significant rebates, which were to be transmitted via electric funds transfers to personal bank accounts. An IRS investigation identified Lipscomb, and as a result more than 85% of the fraudulent claims were denied.

In addition, between January and July of 2009, Lipscomb was found to have repeatedly filed online claims for unemployment benefits with the Indiana Department of Workforce Development’s Unemployment Insurance program. Once again, Lipscomb used stolen names and Social Security numbers of recently deceased individuals to submit fraudulent claims that resulted in public funds being transferred to debit cards that Lipscomb used for personal expenses.

“The State of Indiana is increasing our efforts to combat unemployment insurance fraud,” said Mark W. Everson, Commissioner of the Indiana Department of Workforce Development. “Lipscomb’s conviction and sentencing to time in prison should serve as a warning to those who illegally claim benefits to which they are not entitled.”

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